

FORM A

**STATEMENT REGARDING THE ACQUISITION OF
CONTROL OF OR MERGER WITH A DOMESTIC INSURER**

BC Life & Health Insurance Company (62825)
(Name of Domestic Insurer) (NAIC No.)

A indirect subsidiary of WellPoint Health Networks Inc., a Delaware corporation

by

ANTHEM, INC.
(Name of Acquiring Person)

not applicable Indiana
(NAIC No.) (State of Domicile)

filed with the

CALIFORNIA INSURANCE COMMISSIONER
45 Fremont Street, 24th Floor
San Francisco, CA 94105

DATE: November 8, 2004

Name, Title, Address and Telephone Number of Individual to Whom
Notice and Correspondence Concerning this Statement Should be Addressed:

David R. Frick Executive Vice President and Chief Legal and Administrative Officer Anthem, Inc. 120 Monument Circle Indianapolis, IN 46204 Telephone: (317) 488-6000 Facsimile: (317) 488-6891	Thomas C. Geiser Executive Vice President, General Counsel and Secretary WellPoint Health Networks Inc. 1 WellPoint Way Thousand Oaks, CA 91362 Telephone: (805) 557-6110 Facsimile: (805) 557-6820
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with copies to:

Douglas Schor Vice President, Legal Blue Cross of California 21555 Oxnard Street Woodland Hills, CA 91367 Telephone: (818) 234-3679 Facsimile: (818) 234-2344	Tibor D. Klopfer Baker & Daniels 300 North Meridian Street Suite 2700 Indianapolis, IN 46204 Telephone: (317) 237-1133 Facsimile: (317) 237-1000	Kenneth Schnoll Sonnenschein Nath & Rosenthal LLP 685 Market Street, 6th Floor San Francisco, CA 94105 Telephone: (415) 882-1020 Facsimile: (415) 543-5472
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FORM A

This Statement is submitted by Anthem, Inc., an Indiana corporation ("Anthem"), in connection with the proposed merger of WellPoint Health Networks Inc., a Delaware corporation ("WellPoint"), with and into Anthem Holding Corp., an Indiana corporation and a direct, wholly-owned subsidiary of Anthem. That merger would constitute the change of control of BC Life & Health Insurance Company, a California domiciled insurance company. Both Anthem and WellPoint are licensees of the Blue Cross Blue Shield Association, and have the exclusive rights to use the Blue Cross and Blue Shield names and marks in their respective licensed territories. Anthem respectfully requests approval of the California Insurance Commissioner under California Insurance Code § 1215.2 for the acquisition of control described herein.

Anthem previously filed a Form A Statement dated January 16, 2004, with respect to the transaction that is the subject of this Form A Statement (the "Prior Form A Statement"). Subsequent to the filing of the Prior Form A Statement, Anthem and WellPoint submitted various documents, information and materials to the California Insurance Commissioner in connection with the consideration of the Prior Form A Statement (the "Supplemental Information"), all of which documents, information and materials are incorporated herein by this reference.

On November 26, 2003, Anthem filed with the Securities and Exchange Commission a Registration Statement on Form S-4 containing a Preliminary Joint Proxy Statement and Prospectus relating to the merger described herein (the "Registration Statement"). A copy of the Registration Statement was attached to the Prior Form A Statement as Exhibit A. The final Joint Proxy Statement and Prospectus was provided to the California Insurance Commissioner as Supplemental Information in connection with the Prior Form A Statement and is incorporated herein by this reference.

ITEM 1. INSURER AND METHOD OF ACQUISITION

(a) The Insurer

The names and addresses of the domestic insurer (the "Domestic Insurer") to which this Statement relates are:

BC Life and Health Insurance Company
21555 Oxnard Street
Woodland Hills, CA 91367

The Domestic Insurer is a indirect, wholly-owned subsidiary of WellPoint.

(b) Method of Acquisition

Pursuant to the terms of the Amended and Restated Agreement and Plan of Merger, effective as of October 26, 2003, entered into among Anthem, Anthem Holding Corp., and WellPoint (the "Merger Agreement"), WellPoint will merge with and into Anthem Holding Corp. in accordance with the applicable merger statutes of the Delaware General Corporation Law and the Indiana Business Corporation Law (the "Merger"). A copy of the Merger Agreement was attached to the Prior Form A Statement as Exhibit B. Immediately upon the consummation of the Merger, the separate corporate existence of WellPoint will cease, and Anthem Holding Corp. will continue as the surviving corporation. Anthem will, by virtue of the Merger, acquire control of the Domestic Insurer and beneficial ownership of 100% of the stock of the Domestic Insurer. In addition, pursuant to the Merger Agreement, Anthem will change its corporate name to "WellPoint, Inc."¹

Please see the Registration Statement, under the caption "The Merger Agreement" at pages 74 through 88, for a more detailed summary of the Merger Agreement.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) The Applicant

The name and address of the applicant seeking to acquire control of the Domestic Insurer are:

Anthem, Inc.
120 Monument Circle
Indianapolis, IN 46204

(b) Nature of Business Operations of Anthem

Corporate History

Anthem is an Indiana corporation and the publicly held holding company for a number of operating subsidiaries, including Anthem Insurance Companies, Inc., an Indiana insurance company ("Anthem Insurance"). Anthem was formed in connection with the conversion of Anthem Insurance from a mutual insurance company into a stock insurance company under the Indiana Demutualization Law, effective on November 2, 2001. Anthem's common stock has been publicly traded on the New York Stock Exchange since October 30, 2001, under the symbol "ATH."

¹ Under certain circumstances set forth in Section 1.14 of the Merger Agreement, Anthem, with the consent of WellPoint, may elect, prior to consummation of the Merger, to structure Anthem Holding Corp. as a limited liability company. The form of entity of this immediate holding company does not otherwise affect the Merger or other matters discussed herein.

Anthem Insurance was formed in 1944 under the name of Mutual Hospital Insurance, Inc., commonly known as Blue Cross of Indiana. In 1946, Mutual Medical Insurance, Inc., also known as Blue Shield of Indiana, was incorporated as an Indiana mutual insurance company. In 1985, these two companies merged under the name Associated Insurance Companies, Inc.

In 1993, Southeastern Mutual Insurance Company, a Kentucky-domiciled mutual insurance company doing business as Blue Cross and Blue Shield of Kentucky, was merged into Associated Insurance. In 1995, Community Mutual Insurance Company, an Ohio-domiciled mutual insurance company doing business as Community Mutual Blue Cross and Blue Shield was merged into Associated Insurance. Associated Insurance changed its name to Anthem Insurance Companies, Inc. in 1996.

In 1997, Blue Cross & Blue Shield of Connecticut, Inc., a Connecticut domiciled mutual insurance company, was merged into Anthem Insurance. Anthem completed its purchases of New Hampshire-Vermont Health Service, which conducted business as Blue Cross and Blue Shield of New Hampshire, and Rocky Mountain Hospital and Medical Service, which conducted business as Blue Cross and Blue Shield of Colorado and Nevada, during 1999. In 2000, Anthem completed its purchase of Associated Hospital Service of Maine, which conducted business as Blue Cross and Blue Shield of Maine. As described above, Anthem Insurance completed its demutualization and established Anthem as a publicly held holding company for Anthem Insurance and its subsidiaries on November 2, 2001.

In 2002, Trigon Healthcare, Inc., a Virginia insurance holding company, was acquired by Anthem. Anthem, through its Virginia-domiciled insurance and health maintenance organizations, has the exclusive rights to use the Blue Cross and Blue Shield names and marks in Virginia, excluding the Northern Virginia suburbs of Washington, DC.

General Business Description

Anthem is one of the nation's leading publicly traded health benefits companies, serving more than 11.8 million members, primarily in Indiana, Kentucky, Ohio, Connecticut, New Hampshire, Maine, Colorado, Nevada and Virginia, excluding the Northern Virginia suburbs of Washington, D.C. Anthem owns the exclusive right to market products and services using the Blue Cross and Blue Shield names and marks in all nine states under license agreements with the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans. As of September 30, 2003, Anthem had total assets of \$13.2 billion and total revenue of \$12.5 billion for the nine months ended September 30, 2003.

Anthem's product portfolio includes a diversified mix of managed care products, including health maintenance organizations, or HMOs, preferred provider organizations, or PPOs, and point of service, or POS, plans, as well as traditional indemnity products. Anthem also offers a broad range of administrative and managed care services and partially insured products for employer self-funded plans. These services and products include claims processing, stop loss insurance, actuarial services, provider network access, medical cost management and other administrative services. In addition, Anthem offers its customers specialty products including group life and disability

insurance benefits, pharmacy benefit management, dental, vision and behavioral health benefits services. Anthem's products allow its customers to choose from a wide array of funding alternatives. For its insured products, Anthem charges a premium and assumes all or a majority of the health care risk. Under its self-funded and partially insured products, Anthem charges a fee for services, and the employer or plan sponsor reimburses Anthem for all or a majority of the health care costs.

Anthem's customer base primarily includes local large groups (51 or more employees), small groups (one to 50 employees) and individuals (includes individuals under age 65, Medicare Supplement and Medicare + Choice business) each of which accounted for 40.6%, 18.7% and 18.0% of Anthem's 2002 operating revenue, respectively. Other major customer categories include National Accounts, Medicare recipients, federal employees and other federally funded programs. Anthem principally markets its products through an extensive network of independent agents and brokers who are compensated on a commission basis for new sales and retention of existing business.

Anthem's managed care plans and products are designed to encourage providers and members to make quality, cost-effective health benefits decisions by using the full range of Anthem's innovative medical management services, quality initiatives and financial incentives. Anthem's strong industry position enables it to realize the long-term benefits of investing in preventive and disease management programs. Anthem's ability to provide cost-effective health benefits products and services is enhanced through a disciplined approach to internal cost containment, prudent management of its risk exposure and successful integration of acquired businesses.

Anthem's health business segments are strategic business units delineated by geographic areas within which Anthem offers similar products and services. Anthem manages its health business segments with a local focus to address each market's unique competitive, regulatory and health care delivery characteristics.

In addition to its health business segments, Anthem has a specialty segment which includes business units providing group life and disability insurance benefits, pharmacy benefit management, dental and vision administration services and third party behavioral health benefit services. In addition, through various subsidiaries, Anthem provides administration of Medicare programs in several states.

Since 1986, Anthem has grown from 2,800 employees serving approximately one million people in Indiana to a company of approximately 20,000 employees serving more than 11.8 million people in several states.

Additional information concerning Anthem's business, history, operating segments, strategies and operating principles, acquisitions and merger history, health benefits products and services, and other matters can be found under the caption "Business of Anthem" in Anthem's Annual Report on Form 10-K for the year ending December 31, 2002 filed with the Securities and Exchange Commission, a copy of which was attached to the Prior Form A Statement as Exhibit H-1.

BCBS Legacy; Strategies and Operating Principles

Anthem's legacy is firmly rooted in its Blue Cross Blue Shield tradition and carries with it a commitment to customers and to the communities it serves. Anthem contributes to health-related organizations and charitable efforts in communities large and small throughout its nine states. Anthem employees also devote thousands of volunteer hours to significant local causes.

Anthem's strategic objective is to be among the best in its industry, with the size and scale to deliver the best product value with the best people. To achieve these goals, Anthem offers a broad selection of flexible and competitively priced products and seeks to establish leading market positions.

Anthem believes that increased scale will provide competitive advantages, cost efficiencies and greater opportunities to sustain profitable growth. The key to Anthem's ability to deliver this growth is its commitment to work with providers to optimize the cost and quality of care while improving the health of its members and improving the quality of its service.

The following are key elements in Anthem's strategies and operating principles:

- *Promote Quality Care:* Anthem believes that its ability to help members receive quality, cost-effective health care will be key to its success. Anthem promotes the health of its members through education, products that cover prevention and early detection programs that help members and their providers manage illness before higher cost intervention is required. To help develop those programs, Anthem collaborates with providers in its networks to promote improved quality of care for its members.
- *Product Value:* Anthem works to create products that offer value to its customers. By offering a wide spectrum of products supported by broad provider networks, Anthem seeks to meet the differing needs of its various customers. The breadth and flexibility of Anthem's benefit plan options, coupled with quality care initiatives, are designed to appeal to a broad base of employer groups and individuals with differing product and service preferences. Anthem uses innovative product design, such as a three-tiered prescription program that provides customer choices among generic, brand and formulary drugs at various out-of-pocket costs. Innovative product designs help Anthem contain costs and allow its products to be competitively priced in the market.
- *Operational Excellence:* To provide cost-effective products, Anthem continuously strives to improve operational efficiency. Anthem actively benchmarks its performance against other leading health benefits companies to identify opportunities to drive continuous performance improvement. Important performance measures Anthem uses include operating margin, administrative expense ratio, administrative expense per member per month, and return on equity. Current initiatives to drive operational efficiency include: consolidating and eliminating information systems; standardizing operations and processes; identifying and implementing best practices through its operating segments; implementing e-business strategies; and integrating acquired businesses.

- *Technology:* Anthem continuously reviews opportunities to improve its interactions with customers, brokers and providers. By utilizing technologies, Anthem seeks to make the interactions as simple, efficient and productive as possible. Anthem monitors itself using industry standard customer service metrics, which measure, among other things, call center efficiency, claims paying accuracy and speed of enrollment. Anthem eases the administrative burden of enrolling new accounts, processing claims and updating records for its brokers and providers by automating many of these processes. Anthem also collects information that enables it to further improve customer service, product design and medical management (this information is used to evaluate and document patient outcomes, which enhances disease management capabilities).
- *Growth:* Anthem believes that profitable growth, both organic and through acquisitions, is an important part of its business. Increased scale allows it to enhance customer convenience and improve operating margins, while keeping products competitively priced. Expansion into new geographic markets enables Anthem to reduce exposure to economic cycles and regulatory changes and provides options for business expansion.

Recognition by Third Parties

Third parties have recognized Anthem's success in bringing quality and efficiency to the delivery of health benefits to its customers and advancing other key elements of its strategies and operating principles. For example:

- Anthem health plans in Colorado, Connecticut, Indiana, Kentucky, Maine, New Hampshire, Ohio and Virginia have earned the "Excellent" level of accreditation from the National Committee for Quality Assurance ("NCQA"). Accreditation by NCQA, an industry recognized standard of quality, involves extensive review of key clinical and administrative processes. The "Excellent" designation is reserved for managed care organizations that meet or exceed NCQA's rigorous requirements for consumer protection and quality improvement. Also, the Connecticut, Kentucky and Colorado Plans were recognized as among the best in the nation based on Health Plan Employer Data and Information Set ("HEDIS") performance measures.
- Anthem has been recognized by the Health Ethics Trust with a "Best Practice Award" for its Standards of Business Conduct and a "Best Compliance Practices Award" for its web-based ethics and compliance training program for employees.
- Anthem has been recognized as one of *FORTUNE's* 10 most admired health care companies in America, ranking third in 2003.
- Anthem holds a leadership role in the Council for Affordable Quality Healthcare ("CAQH"), an alliance of America's leading health plans committed to improving the quality of health care and reducing administrative burdens for physicians and patients. Anthem's Chairman, President and Chief Executive Officer, Larry Glasscock, has served as chairman of CAQH.

- Anthem's health information resource, MyHealth@Anthem, was recognized by the 2003 World Wide Web Health Awards Program, which recognizes the best health-related web sites for consumers and professionals.
- Anthem rose to 45th on the *Information Week 500* from 444th three years ago, which tracks technology performance among the nation's largest and most innovative companies.
- Anthem Prescription Management's specialty pharmacy operation, Anthem Rx Direct Specialty, received accreditation from the Accreditation Commission for Health Care, an independent peer review organization committed to organizational operations and delivery of quality health care services. Anthem Prescription Management is one of only five specialty pharmacies to have earned this designation.
- AdminaStar Federal was recognized by the Centers for Medicare and Medicaid Services for excellent and innovative work on behalf of seniors in the Medicare Program.
- Anthem has been selected for the United Way's National Corporate Leadership ("NCL") program. NCL companies are selected for exceptional community involvement as demonstrated by participation with local United Way programs. Nationwide, Anthem is one of only 140 companies that have the United Way NCL designation.

Anthem Subsidiaries' Financial Strength/Claims Paying Ability Ratings

The current financial strength/claims paying ability ratings of Anthem subsidiaries are as follows:

Standard & Poor's Rating Services	A*
A.M. Best Company, Inc.	A
Moody's Investor Services, Inc.	A1
Fitch, Inc.	AA-
* Indication from S&P is that rating will likely be upgraded to A+ ("Strong") at closing of transaction.	

Anthem's Financial Strength and Credit Ratings

The current financial strength and credit ratings of Anthem are as follows:

Standard & Poor's Rating Services Counter Party Credit Ratings (Senior Debt) Equity Security Units	BBB+ BBB-
A.M. Best Company, Inc. Senior Debt Subordinated Debt	a- bbb+
Moody's Investor Services, Inc. Senior Unsecured Debt Subordinated Debt	Baa1 Baa2
Fitch, Inc. Senior Unsecured Debt Subordinated Debt	A- BBB+

Business intended to be done by Anthem

Anthem intends to continue its present business activities in the future.

(c) Organizational Chart

The organizational charts attached to the Prior Form A Statement as Exhibits C, D and E present the identities of the inter-relationships among Anthem and all of its affiliates, and WellPoint and all of its affiliates, prior to and following the Merger. Other than as described in the Merger Agreement, there is no third party through whom Anthem intends to acquire, maintain or exercise control of the Domestic Insurer. No person directly or indirectly owns, controls, holds with power to vote, or holds proxies representing collectively ten percent or more of the voting securities of Anthem. No court proceedings involving a reorganization or liquidation are pending with respect to Anthem or any of its affiliates.

ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH ANTHEM

Director and Officer Information

(a) Directors and Officers of Anthem

Below is a list of the directors and executive officers of Anthem. The business addresses of the directors and executive officers of Anthem are stated in the biographical affidavits for such persons, which were attached to the Prior Form A Statement as Exhibit F-1.

Anthem's Board of Directors currently consists of the following members:

<u>Director</u>	<u>Principal Occupation</u>
L. Ben Lytle	Presiding Director
Larry C. Glasscock	Chairman, President and Chief Executive Officer
Lenox D. Baker, Jr., M.D.	President, Mid-Atlantic Cardiothoracic
Susan B. Bayh	Distinguished Visiting Professor at Butler University
William B. Hart	Chairman, National Trust for Historic Preservation
Allan B. Hubbard	President, E&A Industries
Victor S. Liss	Vice Chairman and Retired President and Chief Executive Officer, Trans-Lux Corporation
William G. Mays	President and Chief Executive Officer, Mays Chemical Company, Inc.
James W. McDowell, Jr.	Founder, McDowell Associates
Senator Donald W. Riegle, Jr.	Chairman of Government Affairs, APCO Worldwide
William J. Ryan	Chairman, President and Chief Executive Officer, Banknorth Financial Group
George A. Schafer, Jr.	President and Chief Executive Officer Fifth Third Bancorp/Fifth Third Bank
John Sherman, Jr.	Vice Chairman, Scott and Stringfellow, Inc.
Dennis J. Sullivan, Jr.	Executive Counselor Dan Pinger Public Relations
Jackie M. Ward	Outside Managing Director Intec Telecom Systems

(See the caption "Changes in Directors and Executive Officers" in Item 5(b) of this Statement for a discussion concerning the composition of Anthem's Board of Directors upon the effectiveness of the Merger.)

The day-to-day affairs of Anthem are managed by the following executive officers²:

<u>Officer</u>	<u>Title</u>
Larry C. Glasscock	Chairman, President and Chief Executive Officer
David R. Frick	Executive Vice President and Chief Legal and Administrative Officer
Samuel R. Nussbaum, M.D.	Executive Vice President and Chief Medical Officer
Michael L. Smith	Executive Vice President and Chief Financial and Accounting Officer
Marjorie W. Dorr	President, Anthem East
Keith R. Faller	President, Anthem Midwest
Michael D. Houk	President, National Accounts
Caroline S. Matthews	Chief Operating Officer, Anthem Blue Cross and Blue Shield in Colorado and Nevada
John M. Murphy	President, Specialty Business
Jane E. Niederberger	Senior Vice President and Chief Information Officer
Thomas J. Snead, Jr.	President, Anthem Southeast
Mark Boxer	Senior Vice President, Chief Strategy and Business Development Officer

(b) **Present Principal Business Activity**

The principal business activity, occupation, or employment of the directors and executive officers of Anthem, including the position and office held and the name, principal business and address

² Larry C. Glasscock, David R. Frick, Michael L. Smith, George D. Martin (Treasurer) and Nancy L. Purcell (Secretary) are the corporate officers of Anthem, Inc.

of any such corporation or organization, is stated in the biographical affidavits for such persons, which were attached to the Prior Form A Statement as Exhibit F-1.

(c) Material Occupations, Positions, Offices and Employment

The material occupations, positions, offices or employment during the last five years, including the starting and ending dates of each and the name, principal business and address of any business corporation or other organization in which each such occupation, position, office or employment was carried on, with respect to the directors and executive officers of Anthem, are stated in the biographical affidavits for such persons which were attached to the Prior Form A Statement as Exhibit F-1. Except as set forth in such biographical affidavits, no such occupation, position, office or employment required licensing by or registration with any federal, state or municipal governmental agency. The current status of any such licensing or registration, and an explanation of any surrender, revocation, suspension or disciplinary proceedings in connection therewith, are stated in such biographical affidavits.

(d) Criminal Proceedings

Except as otherwise indicated in Exhibit F-1 to the Prior Form A Statement, to the best knowledge, information and belief of Anthem, no director or executive officer of Anthem has been convicted in a criminal proceeding (excluding minor traffic violations) during the past ten years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Nature, Source and Amount of Funds or Other Considerations Used or To Be Used in Effecting the Acquisition of Control

Source and Amount of Consideration

Subject to the information provided to the California Insurance Commissioner in the Supplemental Information, Anthem provides the following information with respect to the nature, source and amount of funds or other consideration used or to be used in effecting the acquisition of control described in this Statement:

The Merger Agreement provides that, subject to certain exceptions, each share of WellPoint common stock issued and outstanding at the effective time of the Merger will be converted into the right to receive (i) \$23.80 in cash, without interest (the "Cash Consideration"), and (ii) one share of Anthem common stock (the "Stock Consideration" and together with the Cash Consideration, the "Merger Consideration"). Upon effectiveness of the Merger, all shares of WellPoint common stock will no longer be outstanding and will automatically be cancelled and retired and will cease to exist.

Any holder of WellPoint common stock who dissents from the Merger as permitted by the Delaware General Corporation Law will, instead of the Merger Consideration, receive a cash payment as provided by law. WellPoint common stock held by a subsidiary of WellPoint or

Anthem (other than Anthem Holding Corp.) will be converted into the right to receive additional Anthem common stock in lieu of the Cash Consideration portion of the Merger Consideration, based on a formula specified in the Merger Agreement.

Approximately 151.1 million shares of WellPoint common stock were outstanding on September 30, 2003 (excluding WellPoint shares held by WellPoint subsidiaries). Based upon those shares, plus Anthem shares to be issued in respect of WellPoint shares held by WellPoint subsidiaries, Anthem anticipates that it will need to issue approximately 154 million shares of its common stock in order to pay the Stock Consideration and pay approximately \$3.6 billion in order to pay the Cash Consideration. The total value of the Merger Consideration, based upon the closing price of the Anthem common stock on the New York Stock Exchange on October 24, 2003 (the last trading day before Anthem and WellPoint announced the Merger), is approximately \$15.6 billion.

Anthem's common stock is listed for trading on the New York Stock Exchange under the symbol "ATH," and the shares of Anthem common stock to be issued in payment of the Stock Consideration will also be listed for trading on the New York Stock Exchange. Anthem's authorized common stock consists of 900 million shares, of which approximately 138.3 million shares were outstanding as of October 31, 2003. Anthem accordingly has an adequate number of authorized and unissued shares of common stock to provide for the issuance of its common stock in the Merger, and Anthem's Board of Directors has formally authorized such issuance of shares. Under the rules and regulations of the New York Stock Exchange, the issuance of such shares by Anthem is subject to approval by Anthem's shareholders, and a special meeting of Anthem's shareholders for that purpose (as well as to allow Anthem shareholders to vote on amending Anthem's articles of incorporation related to the Merger) was held on June 28, 2004, at which time all requisite approvals from Anthem's shareholders were obtained.

Anthem estimates that it will have cash requirements of approximately \$3.9 billion for the Merger and related transaction costs. Anthem intends to use a combination of borrowed funds and cash on hand to meet these cash needs. The borrowed funds may include temporary or bridge financing in addition to permanent or long term financing.

Temporary/Bridge Borrowing

Anthem has entered into a commitment letter (the "Commitment Letter"), dated October 17, 2003, with Banc of America Bridge LLC ("Banc of America Bridge") and Banc of America Securities LLC ("BAS") for a bridge loan agreement under which it may borrow up to \$3 billion to finance the Cash Consideration, to refinance certain existing indebtedness and to pay expenses of the Merger and related transactions. Pursuant to the Commitment Letter, the bridge loan agreement contains various conditions to Anthem's ability to borrow under the bridge loan, including conditions related to: (1) the absence of any change, occurrence or development since December 31, 2002, that could reasonably be expected to have a material adverse effect; (2) the receipt of all government, shareholder and third party consents and approvals necessary in connection with the Merger; (3) the absence of any action, suit, investigation or proceeding pending or, to the knowledge of Anthem or WellPoint, threatened in any court or before any

arbitrator or governmental authority that could reasonably be expected to have a material adverse effect; (4) Anthem's long-term unsecured non-credit enhanced debt not being rated less than Baa3 by Moody's and BBB by S&P; and (5) such other conditions that are customary for transactions of this nature. A copy of the Commitment Letter was attached to the Prior Form A Statement as Exhibit N.

Interest Payments on Temporary/Bridge Financing

Interest under the bridge loan will be payable quarterly in arrears at a rate per annum equal to the respective rates for base rate borrowings or Eurodollar borrowings plus an applicable margin per annum. The applicable margin for the bridge loans will range from 42.5 basis points to 112.5 basis points based upon the S&P and Moody's debt ratings for Anthem, with the higher debt rating resulting in a lower applicable margin per annum. All indebtedness under the bridge loan must be repaid in full upon the earlier of 270 days from the closing date or March 31, 2005.

Permanent/Long-Term Borrowing

Anthem intends to obtain permanent or long-term financing for part of the cash portion of the Merger Consideration through a combination of (1) borrowings under a new \$2.5 billion credit facility; and (2) the issuance of \$2 billion of long-term debt securities. The ultimate mix of bank debt and long-term debt securities will be determined based on market conditions and other financial factors.

Consummation of the new credit facility would reduce the amount of the loan commitment under the bridge loan by \$1.5 billion. To the extent that indebtedness under the bridge loan agreement has been incurred, Anthem must prepay the bridge loan, without penalty or premium, together with accrued interest to the prepayment date, with the net proceeds from the issuance of any long-term debt securities and up to \$1.5 billion of borrowing under the new credit facilities.

Cash on Hand

Anthem plans to use other sources of cash, including cash on hand, to fund the remaining portion of the Cash Consideration or to fund any other cash requirements for the Merger or refinancing of existing indebtedness.

Relationship between Borrower and Lender

Anthem, Banc of America Bridge and BAS have entered into the Commitment Letter, whereby Banc of America Bridge has committed to act as the sole administrative agent through itself or one of its affiliates for the bridge loan to finance the cash requirements for the Merger and related transactions and to provide the full principal amount of the bridge loan, and BAS has committed to act as the sole lead arranger and sole book manager for the bridge loan. Anthem also retained BAS to act as a financial advisor in connection with the Merger.

(b) Criteria Used in Determining the Nature and Amount of Such Consideration

WellPoint and Anthem are both publicly held companies. Anthem and WellPoint, with the assistance of their respective financial advisors and counsel and under the direction of their respective Boards of Directors, determined the nature and amount of the Merger Consideration, and the other terms and conditions of the proposed transaction, through arm's length negotiation. Anthem's Board of Directors has received the written opinion of its financial advisor that the per share Merger Consideration to be paid by Anthem pursuant to the Merger Agreement is fair from a financial point of view to Anthem. WellPoint's Board of Directors has received the written opinion of its financial advisor that the per share Merger Consideration to be paid by Anthem pursuant to the Merger Agreement is fair from a financial point of view to WellPoint's stockholders.

For additional information concerning the negotiations between the parties, the background of the Merger, and Anthem's and WellPoint's reasons for the Merger, please see the Registration Statement, under the captions "The Merger - Background of the Merger" at pages 42 through 44, "- Anthem's Reasons for the Merger; Recommendation of Anthem's Board of Directors" at pages 45 through 48, "- WellPoint's Reasons for the Merger; Recommendation of WellPoint's Board of Directors" at pages 48 through 50, "- Opinion of Anthem's Financial Advisor—Goldman, Sachs & Co." at pages 51 through 57, and "- Opinion of WellPoint's Financial Advisor—Lehman Brothers Inc." at pages 57 through 65.

(c) Identity of the Lender

Anthem, Banc of America Bridge and BAS have entered into the Commitment Letter, whereby Banc of America Bridge has committed to act as the sole administrative agent through itself or one of its affiliates for the bridge loan to finance the cash requirements for the Merger and related transactions and to provide the full principal amount of the bridge loan, and BAS has committed to act as the sole lead arranger and sole book manager for the bridge loan.

ITEM 5. FUTURE PLANS OF DOMESTIC INSURER

(a) Extraordinary Dividends, Liquidation, Sale of Assets, Mergers

Anthem has no present plans to cause the Domestic Insurer to declare any extraordinary dividend, to liquidate the Domestic Insurer, to sell any of its assets, or to merge or consolidate it with any person or persons. There also are presently no plans to make any other material change in the Domestic Insurer's business operations, corporate structure or management, other than as may be provided herein or as may arise in the ordinary course of business. Other than as described herein, no name changes of entities involved in the Merger are anticipated. The Domestic Insurer will continue to maintain its home and administrative offices in California and will continue to operate under its current corporate name. Further, Indianapolis will continue to be the corporate headquarters for Anthem.

(b) Operational Plans for the Domestic Insurer

Day-to-Day Operations of the Domestic Insurer

In general, Anthem intends to continue the day-to-day operations of the Domestic Insurer substantially as presently conducted. Anthem has no present plans to change the day-to-day administrative activities that service the Domestic Insurer's business. Under the Merger Agreement, the headquarters of the Domestic Insurer will continue to be located in California. Furthermore, Anthem intends to continue to honor the commitments and undertakings made by WellPoint to the California Department of Insurance with respect to the operations of the Domestic Insurer.

Anthem believes that health care is a local activity and intends to continue the Domestic Insurer's current product offerings, subject to benefit design and other changes as are necessary to respond to market conditions and customer preferences. Similarly, Anthem intends to continue WellPoint's approach to its relationships with California health care providers, including maintaining broad provider networks to ensure customer choice. Anthem has no present plans for a large-scale systems conversion after the Merger and instead anticipates using a scaleable information technology model that would use middleware applications to link existing claims systems to a common customer service workbench and other new applications.

After the Merger, in the event that the day-to-day operations of the Domestic Insurer are to be changed (including changes to current product offerings), Anthem or the Domestic Insurer, as applicable, will make all appropriate filings and seek all required approvals for such change.

Transition Planning

Anthem's proven track record of quickly and successfully integrating acquisitions should allow for a smooth transition for the customers and employees of WellPoint and its subsidiaries, including the Domestic Insurer. Anthem and WellPoint have established a transition planning team comprised of representatives of Anthem and WellPoint to ensure this smooth transition and the successful combination of the operations of Anthem and WellPoint. The transition team is responsible for developing, and monitoring the development of, and deliverables due under, an action plan for the combination of the businesses following the completion of the Merger. Anthem and WellPoint believe that the synergies expected from the Merger should result in expense savings and revenue enhancements. Anthem expects at least \$250 million in annual pre-tax synergies by 2006.

Changes in Officers and Directors

Officers and Directors of the Domestic Insurer

Anthem has no present plans to make any material change to the officers and directors of the Domestic Insurer. A common group of Anthem officers currently serve as both directors and officers of most Anthem subsidiaries, including a common corporate secretary and treasurer. To

the extent that Anthem intends to make changes to the officers and directors of the Domestic Insurer in connection with or following the Merger, Anthem or the Domestic Insurer, as applicable, will make all appropriate filings and seek all required approvals for such changes.

Officers and Directors of Anthem

Upon completion of the Merger, the board of directors of Anthem will have 19 members, consisting of 11 current members of Anthem's board of directors (including Larry C. Glasscock) designated by Anthem before the completion of the Merger, at least six of whom must be "independent" under the rules of the New York Stock Exchange and the SEC, and eight current members of WellPoint's board of directors (including Leonard D. Schaeffer) designated by WellPoint before the completion of the Merger, at least five of whom must be "independent" under the rules of the New York Stock Exchange and the SEC with respect to Anthem. The appointment of the directors to the Anthem board will be split such that one of the three classes of Anthem directors will be comprised of four former Anthem directors and three former WellPoint directors, one of the three classes of Anthem directors will be comprised of four former Anthem directors and two former WellPoint directors and one of the three classes of Anthem directors will be comprised of three former Anthem directors and three former WellPoint directors. Until the second anniversary of the completion of the Merger, unless 80% of the directors of Anthem decide otherwise, any vacancy on the board of directors of Anthem in respect of a designee of Anthem or WellPoint will be filled with a new director selected by the remaining designees of Anthem or WellPoint, as applicable, and who is reasonably acceptable to the governance committee of the board of directors.

Upon the completion of the Merger, Leonard D. Schaeffer, the current Chairman and Chief Executive Officer of WellPoint, will be named the non-executive Chairman of the board of directors of Anthem and of any executive committee of the board of directors of Anthem. Additionally, Larry C. Glasscock, the current Chairman, President and Chief Executive Officer of Anthem, will serve as Anthem's President and Chief Executive Officer until at least the second anniversary of the completion of the Merger, unless he earlier resigns, retires or is unable to serve, or unless the board of directors removes him by an affirmative vote of not less than 80% of its members. By the second anniversary of the completion of the Merger, Leonard D. Schaeffer will retire from the board of directors of Anthem and, unless 80% of the directors of Anthem decide otherwise, Larry C. Glasscock will succeed as the Chairman of the board of directors of Anthem.

Upon the completion of the Merger, the executive officers of Anthem will be comprised of members of the current management of Anthem and WellPoint. The principal executive officers of Anthem upon the completion of the Merger will include:

Name and Current Position

Position With Anthem, Post Merger

Larry C. Glasscock.....	President and Chief Executive Officer
Chairman, President and Chief Executive Officer of	

Anthem

David C. Colby	Executive Vice President and Chief
Executive Vice President and Chief Financial Officer of	Financial Officer
WellPoint	

Upon the completion of the Merger, Anthem's board of directors (which will then consist of 8 WellPoint designees and 11 Anthem designees, as described above) will designate the additional executive officers of the combined entity.

Additional information concerning Anthem's Board of Directors and committees of the Board of Directors can be found under the caption "Management of Anthem" in Anthem's Annual Report to Shareholders for the year ending December 31, 2002, a copy of which was attached to the Prior Form A Statement as Exhibit K-1.

Contracts, Arrangements and Other Matters
Affecting Directors, Executive Offices and Employees

Certain directors and executive officers of Anthem and WellPoint have financial and other interests through employment agreements, benefit plans and other arrangements that may be impacted by the Merger.

For a description of such contracts, arrangements and other matters affecting directors and executive officers of Anthem and WellPoint see "Resales of Anthem Stock by Affiliates," "Anthem's Directors and Officers Have Financial Interests in the Merger," "WellPoint's Directors and Officers Have Financial Interests in the Merger," "Insurance and Indemnification," at pages 69 through 72 of the Registration Statement, and "Employee Benefit Matters" at pages 84 and 85 of the Registration Statement.

(c) **Any Other Arrangements or Agreements**

Anthem's subsidiaries typically share services in the ordinary course of business under a standard intercompany services agreement. Similarly, the Domestic Insurer shares services with other WellPoint subsidiaries in the ordinary course of business under an existing intercompany services agreement. Anthem has no current plans to change the current intercompany administrative services reimbursement or payment arrangements that the Domestic Insurer maintains with its affiliates. In the event that such arrangements are to be changed in the future, including entering into Anthem's standard intercompany services agreement or a similar agreement, Anthem or the Domestic Insurer, as applicable, will make all appropriate filings and seek all required approvals for such change.

(d) Undertakings.

In addition to the information provided herein and in the Prior Form A Statement, Anthem, Anthem Holding Corp. and the Domestic Insurer have agreed to the Undertakings to the California Department of Insurance attached hereto as Exhibit O.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

Anthem proposes to acquire directly 100% of the issued and outstanding voting securities of WellPoint and, indirectly, 100% of the issued and outstanding voting securities of the Domestic Insurer (50,000 shares of common stock) pursuant to the Merger Agreement. Anthem and WellPoint, with the assistance of their respective financial advisors and counsel and under the direction of their respective Boards of Directors, determined the nature and amount of the Merger Consideration, and the other terms and conditions of the proposed transaction through arm's length negotiation. Please see Item 4 above for a more complete discussion of the WellPoint securities to be acquired and the nature and amount of the Merger Consideration.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than under the Merger Agreement and as described in this Statement, and except for 200 shares of WellPoint common stock owned by the spouse of an Anthem officer since May 2001, there are no voting securities of any class of WellPoint or the Domestic Insurer that are beneficially owned or concerning which there is a right to acquire beneficial ownership by Anthem, its affiliates or any person listed in Item 3.

ITEM 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE DOMESTIC INSURER

Except as provided in the Merger Agreement and described in this Statement, there are no contracts, arrangements, or understandings with respect to any voting security of WellPoint or the Domestic Insurer in which Anthem, its affiliates or any person listed in Item 3 is involved, including any transfer of any securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

There have been no purchases of any voting securities of WellPoint or the Domestic Insurer by Anthem, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this Statement. However, an Anthem director, through his relationship with a financial advisory or management firm, may be deemed to beneficially own a total of 100 shares of WellPoint common stock that were purchased by that firm in ordinary market transactions in June and October 2003, in each case without such Anthem director's direction or prior knowledge.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

There have been no recommendations to purchase any voting security of WellPoint or the Domestic Insurer made during the 12 calendar months preceding the filing of this Statement by Anthem, its affiliates or any person listed in Item 3, or by anyone based upon interviews or at the suggestion of Anthem, its affiliates or any person listed in Item 3.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

There have been no agreements, contracts, or understandings made with any broker-dealer as to solicitation of voting securities of WellPoint or the Domestic Insurer for tender.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) Exhibits

As noted in the introduction to this Statement, the Prior Form A Statement and the Supplemental Information are incorporated herein by reference.

The Exhibits and Financial Statements attached to the Prior Form A Statement as Exhibit A through Exhibit N are incorporated herein by reference.

Undertakings to California Department of Insurance	Exhibit O
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ITEM 13. SIGNATURE AND CERTIFICATION

SIGNATURE

IN WITNESS WHEREOF, the Applicant hereby incorporates herein the exhibit attached hereto and all writings referred to herein, and declares that the matters stated herein and in the attached exhibit and in the writings incorporated herein are true and correct as of their respective dates. The Applicant affixes its signature in the City of Indianapolis and State of Indiana on the 8th day of November, 2004.

ANTHEM, INC.

By: David R. Frick
David R. Frick, Executive Vice President
and Chief Legal and Administrative Officer

ATTEST:

Harry L. Pursell

CERTIFICATION

David R. Frick, the undersigned, hereby certifies under penalty of perjury under the laws of the state of California that he is the Executive Vice President and Chief Legal and Administrative Officer of Anthem, the Applicant in the foregoing Information Statement, that he has read said Information Statement and knows the content thereof and that the same are true to the best of his own knowledge.

David R. Frick
David R. Frick

Subscribed and sworn to before me this 8th day of November, 2004.

Barbara J. North
Printed Name: Barbara J. North
Notary Public in and for the State of Indiana

I am a resident of Wendricks County, Indiana.
My commission expires August 29, 2008

Undertakings to California Department of Insurance

Anthem, Inc. ("Anthem") has filed a Form A Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer (the "Form A") with respect to BC Life & Health Insurance Company ("BC Life"). The Form A seeks the approval of the California Department of Insurance ("CDI") for the change of control of BC Life that would occur upon the proposed merger ("Merger") of BC Life's ultimate parent company, WellPoint Health Networks Inc. ("WellPoint") with and into an unaffiliated entity, Anthem Holding Corp. ("AHC"). AHC is an Indiana corporation and is a wholly-owned subsidiary of Anthem, which is the ultimate parent company of a number of Blue Cross and Blue Shield companies that operate outside California.

Upon the closing of the Merger, WellPoint will be merged with and into AHC, with AHC as the surviving entity, and the separate corporate existence of WellPoint will cease effective as of the closing of the Merger. As a result, this transaction will result in a change in control of BC Life, which will become an indirect subsidiary of Anthem. Also at the time of the Merger, Anthem will be renamed "WellPoint, Inc." The transaction will not result in any other material changes to BC Life or have a material effect on BC Life's operations. BC Life is an affiliate of Blue Cross of California ("BCC"), a health care service plan regulated under the Knox-Keene Health Care Service Plan Act. BCC will also become an indirect subsidiary of Anthem as a result of the Merger.

BC Life hereby provides the undertakings set forth below (the "Undertakings") to the CDI in connection with the Form A. These Undertakings shall take effect immediately upon the closing of the Merger. Anthem and AHC each also has executed these Undertakings. By doing so, Anthem and AHC each agrees that it will not require or cause BC Life to violate any of these Undertakings.

Undertaking 1. BC Life and Anthem undertake that premiums payable by BC Life policyholders will not increase as a result of the Merger, and Anthem will provide a written commitment, addressed to the California Insurance Commissioner and executed by Anthem's Chief Executive Officer, expressly to that effect. In order to demonstrate and assure compliance with this Undertaking and commitment, which will remain in effect during the Merger Debt Period (as defined below), BC Life and Anthem will provide an annual certification to the CDI that:

- (1) BC Life's practices and methodologies for determining premium rates after the Merger have not varied from BC Life's pre-Merger practices and methodologies;
- (2) No debt rating factor relating to the indebtedness that Anthem has incurred to finance Anthem's cash requirements for the Merger has been included as part of such post-Merger practices and methodologies;

- (3) BC Life's practices and methodologies for determining products and benefit designs after the Merger have not varied from BC Life's pre-Merger practices and methodologies;
- (4) BC Life's administrative expense ratio has not exceeded pre-Merger levels without reporting to the CDI, as provided in Undertaking 16 below;
- (5) Anthem has paid for all executive change in control severance payments and retention bonus payments payable by reason of the Merger, as provided in the first paragraph of Undertaking 3 below;
- (6) Anthem had cash on hand immediately prior to the closing of the Merger that was adequate to discharge all obligations relating to the Merger and payable to officers or directors of Anthem and WellPoint, as required by the first paragraph of Undertaking 3 below;
- (7) BC Life's dividends have not deviated from pre-Merger historical practices, as provided by Undertakings 4 and 5 below; and
- (8) BC Life will file an actuarial memorandum with the CDI that certifies that no portion of the cost components of any rate charged for any individual or small group product offered in California by BC Life includes a charge related to the financing of the Merger. BC Life shall also certify annually to the CDI that no portion of the cost components of any rate or fee charged for any large group or administrative services only product offered in California by BC Life includes a charge related to the financing of the Merger.

The CDI may audit or examine BC Life and its books and records with respect to the foregoing certifications, to the extent deemed necessary or desirable at the discretion of the California Insurance Commissioner. For purposes of these Undertakings, Merger Debt Period means the period beginning with the closing of the Merger and thereafter ending on the later of (1) the date three years following the closing of the Merger, or (2) the date when Anthem has made aggregate principal payments in respect of its or WellPoint's consolidated indebtedness equal to the aggregate principal amount of indebtedness incurred by Anthem to finance its cash requirements for the Merger ("Merger Related Indebtedness"), excluding, however, any principal payments that are "Refinancings" of Merger Related Indebtedness. A principal payment will be deemed to be a Refinancing of Merger Related Indebtedness if and to the extent that (x) Anthem borrows funds within thirty days before or after the date of the principal payment of Merger Related Indebtedness, and (y) the proceeds from the other borrowing are not specifically used for an identified purpose other than payment of Merger Related Indebtedness.

Undertaking 2. BC Life represents that by reason of a focused effort by Anthem to bring demonstrable improvements in the quality of care made available by BC Life, the "CDI Medical Care Ratio" will increase during the Merger Debt Period. In order to demonstrate and assure

compliance with this Undertaking 2, which will remain in effect during the Merger Debt Period, the following will apply:

(1) The CDI Medical Care Ratio shall reflect the totality of medical business, both insured and uninsured, underwritten and/or administered by BC Life, to be determined by dividing (1) the total of all medical care claims incurred for BC Life's insured and self-insured customers, plus the amount expended on quality improvement programs in California ("Quality Improvement Programs"), by (2) the total of premiums earned from its insured customers and the premium equivalents attributable to its self-insured customers.

(2) Quality Improvement Programs shall include, for example, disease management programs, programs advancing patient safety, programs promoting wellness, and efforts to improve scores on measures related to clinical quality. The Quality Improvement Programs shall be designed and implemented in a manner that does not require any uncompensated services by providers participating in such programs.

(3) Anthem undertakes to cause BC Life to increase financial expenditures supporting Quality Improvement Programs in California by at least 50% from current levels by the end of the Merger Debt Period.

(4) BC Life will provide CDI with specifically-defined PPO "Quality Improvement Measures," baseline scores for those measures and targeted improvements to the scores for those measures. Anthem undertakes to cause BC Life to achieve those targeted scores reflecting an improvement in the quality of care delivered to Californians covered by BC Life products, recognizing that the targeted improvements will benefit Californians beyond those covered by BC Life products. The Quality Improvement Measures, scores, and targets will be reviewed to the CDI's satisfaction by one or more certified HEDIS auditors of CDI's selection at BC Life's expense and such Quality Improvement Measures, scores, targets and the results of any review by the certified HEDIS auditor(s) selected by the CDI shall be publicly available.

(5) BC Life shall provide CDI with implementation reports as of June 30, 2005 and December 31, 2005 that describe the efforts by BC Life as of the dates of such reports to achieve the targeted improvements to the Quality Improvement Measures, baseline scores and the amount of the financial expenditures made to improve such scores. Thereafter, commencing June 30, 2006, BC Life shall provide the CDI with semi-annual reports as of June 30 and December 31 that compares BC Life's CDI Medical Care Ratio in effect for calendar year 2004 ("Initial Date") with the CDI Medical Care Ratio for the 12 month period (plus an actuarially appropriate period for run-out claims) preceding the date of the applicable report ("Measurement Date") and that include the amount of the financial expenditures made to improve such scores as of the date of each such report. If the CDI Medical Care Ratio on the Measurement Date is not greater than it was on the Initial Date, a rebuttable presumption shall arise that Anthem and BC Life have not complied with this Undertaking 2. Anthem and BC Life may rebut that presumption by

demonstrating the following to the CDI's reasonable satisfaction: (i) that the development is not the result of any failure by Anthem or BC Life to perform any of the provisions of this Undertaking 2 (e.g., the impact of a change in the mix of business such as selling a large amount of individual business), (ii) that the development is not related to the implementation of the Merger, or (iii) that, notwithstanding the development, BC Life has in fact demonstrably improved the quality of care made available to BC Life's customers during the Merger Debt Period.

(6) To enhance transparency in the health care marketplace and to provide a method of validating compliance with this Undertaking 2, BC Life, in cooperation with the CDI, shall develop a "Peer Group" consisting of entities that (1) CDI regulates, (2) offer a similar array of products to those offered by BC Life, and (3) make medical care expenditures similar to those made by BC Life. A "CDI Medical Care Index" shall then be developed consisting of the CDI Medical Care Ratio for each entity in the Peer Group and for BC Life.

(7) BC Life shall cooperate with CDI in the establishment of an advisory group of health care providers appointed by one or more statewide health care provider organizations to advise CDI with respect to the quality of care made available to consumers and other matters of importance to the provider community in California.

Undertaking 3. BC Life and Anthem undertake (1) that all of the change in control severance payments and retention bonus payments payable by reason of the Merger under the terms of the WellPoint Health Networks Inc. Officer Change in Control Plan and the other arrangements described in pages 69 through 72 of the Joint Proxy Statement/Prospectus dated May 11, 2004 of WellPoint and Anthem relating to the Merger (together, "CIC Plan") will be the sole payment responsibility of Anthem, (2) that Anthem will have on hand cash immediately prior the closing of the Merger that is adequate to discharge all obligations relating to the Merger which may arise under the CIC Plan, (3) that no amounts whatsoever relating to the CIC Plan will be the obligation of BC Life, and (4) that no such amounts will be charged to or made the responsibility of BC Life under any reimbursement or cost allocation arrangement. In addition, BC Life and Anthem undertake (a) that BC Life shall not be responsible for any similar payments owed by Anthem by reason of the Merger to Anthem's officers and (b) that Anthem will have on hand cash immediately prior to the closing of the Merger that is adequate to discharge all such obligations of Anthem.

Anthem and WellPoint further undertake that the amount of the commitments referred to in Undertaking 17 will be in excess of the amount of California Executive Compensation (as defined) relating to the Merger. California Executive Compensation means the aggregate of (1) amounts paid to California Officers (as defined) by reason of the Merger as executive change in control severance payments (whether for involuntary or constructive termination) and as retention bonus payments under the CIC Plan, and (2) the value of accelerated exercisability of WellPoint stock options held by California Officers who experience an involuntary or constructive termination (excluding options held by those California Officers who have voluntarily waived accelerated exercisability of their stock options as a result of the Merger),

which value shall for purposes hereof be calculated as the difference between \$112 and the exercise price under such options, multiplied by the number of shares subject to such options. For purposes of this Undertaking, California Officers are WellPoint executive officers resident in California, BCC and BC Life senior officers and WellPoint officers dedicated predominantly to BCC and BC Life operations (all of whom have been specially identified by WellPoint to the CDI). If the amount of California Executive Compensation exceeds the amount of commitments described in Undertaking 17, then the amount of such commitments shall be increased on a dollar for dollar basis so that such commitments at least equal the amount of the California Executive Compensation.

Undertaking 4. BC Life will not declare or pay dividends, make other distributions of cash or property in respect of its capital stock, or in any other way upstream any funds or property to its corporate parents (hereinafter referred to as "Parent Company Distributions") if such actions would (1) cause BC Life to have a net premium to policyholder surplus ratio equal to or greater than 5-to-1, or (2) cause BC Life's Total Adjusted Capital to be less than 500% of Authorized Control Level Risk-Based Capital. Additionally, during the Merger Debt Period, BC Life will not make any Parent Company Distributions that would deviate from historical practices from 2000 through 2003 (when viewed in proportion to BC Life's operating performance and financial condition, i.e., looking at Parent Company Distributions as a percentage of operating income or policyholders' surplus). The limitation in the preceding sentence will not apply if after payment of any such Parent Company Distributions, BC Life's Total Adjusted Capital would be at least 600% of Authorized Control Level Risk-Based Capital. Three years from the effective date of the Merger and upon the request of BC Life, the Commissioner shall consider terminating this Undertaking in its entirety or modifying its terms.

Undertaking 5. BC Life will not make any Parent Company Distribution if such actions would cause BC Life to fail to maintain Liquid Assets (as defined) in an amount that equals or exceeds 150% of BC Life's average monthly Total Expenses (as defined) for the last two consecutive quarters for which financial statements have been filed with the CDI immediately prior to the date on which BC Life makes a Parent Company Distribution. For purposes of this Undertaking, (1) Liquid Assets shall equal the total of cash and invested assets, defined as the sum of the amounts shown in BC Life's statutory financial statement on Page 2 – Assets, column 3, lines 1, 2.1, 2.2, 5 and 8 and (2) Total Expenses shall be equal to the sum of the amounts shown in BC Life's statutory financial statement, Page 5 – Cash Flow, column 1, lines 5, 6 and 7. In each Quarterly Financial Report filed with the CDI, BC Life shall include a calculation showing the total Liquid Assets on hand at the end of the calendar quarter covered by such Quarterly Financial Report and 150% of the average monthly Total Expenses incurred during the calendar quarter covered by such Quarterly Financial Report and the immediately preceding calendar quarter.

Undertaking 6. BC Life will not take any of the following actions without the CDI's prior written approval: (1) co-sign or guarantee all or any portion of any current or future loans and/or credit facilities entered into by Anthem or any of Anthem's affiliates, (2) permit any portion of loans obtained by Anthem or any of its affiliates to be assumed by BC Life, (3) allow a pledge or

hypothecation of BC Life's assets or capital stock in any way in connection with any current or future loans of Anthem or any of its affiliates, or (4) borrow any funds or otherwise incur any indebtedness for the purpose of making a Parent Company Distribution, or paying any obligation of any of its affiliates, except any Parent Company Distribution that is made in full compliance with Undertaking 4 above, or a payment made pursuant to any written agreement between or among BC Life and any of its corporate parents or affiliates approved in writing by the CDI. Anthem's affiliates include, but are not limited to, AHC and BCC and the other subsidiaries acquired by Anthem pursuant to the Merger.

Undertaking 7. In connection with each Quarterly Financial Report filed with the CDI by BC Life, BC Life shall file with the CDI, on a confidential basis, a schedule that reports the estimated range of incurred-but-not-reported claim liability at the end of each such quarter and the amount of incurred-but-not-reported claim liability as set forth in the Quarterly Financial Report filed with the CDI by BC Life for such calendar quarter. The estimated range of incurred-but-not-reported claim liability at the end of each such quarter shall be (1) prepared by BC Life's independent public accounting firm as part of such firm's review of BC Life's interim financial statements, (2) prepared by BC Life and reviewed by BC Life's independent public accounting firm, in the ordinary course, as part of such firm's review of BC Life's interim financial statements or (3) prepared or reviewed by BC Life's independent public accounting firm as part of such firm's audit of BC Life's year-end financial statements. In the event BC Life's independent public accounting firm does not agree to provide the CDI with this prepared or reviewed range, then BC Life shall obtain, provide and include as part of its required financial filings an estimated range from an independent actuarial firm acceptable to the CDI. In connection with the making of this Undertaking, BC Life has been informed by the CDI that the CDI will grant confidential treatment, to the extent permitted by law, to the information filed pursuant to this Undertaking 7 and will provide BC Life with appropriate prior notice of any judicial or other effort to compel the CDI to disclose this confidential information in accordance with California law.

Undertaking 8. BC Life will renew and not terminate any health benefit plan in full compliance with the California Insurance Code and will not terminate any health benefit plan before the end of its contract term, except as expressly permitted by the California Insurance Code. If BC Life withdraws a health benefit plan from the market it will provide advance notice to the CDI and the policyholders covered by that health benefit plan and will permit each such policyholder to select continued coverage from among BC Life's other health benefit plans without regard to any health status related factor. If BC Life ceases to write, issue, or administer new group or individual health benefit plans in California, affected former policyholders of BC Life will be provided the opportunity to elect continued coverage under the most nearly comparable health benefit plan from BCC without regard to any health status related factor. For a period of three years following the effective date of the Merger, should BC Life withdraw a health benefit plan from the market or cease to write, issue, or administer new group or individual health benefit plans in California, if an insured then enrolled in an affected health benefit plan has a pre-existing condition and still has time remaining before he/she may receive coverage for treatment for that condition, the remaining time requirement for the pre-existing

condition exclusion will be waived if the insured enrolls in another BC Life or BCC health benefit plan as provided in the preceding sentences within the time requirements for eligibility for such products as required by applicable law. This Undertaking shall apply to other insurers doing business in California which are affiliates of BC Life with regard to actions taken by such affiliated insurers in California.

Undertaking 9. An important premise of the Merger is that (1) BC Life will continue its historic role in serving the California marketplace, (2) BC Life after the Merger will continue the same marketplace approach in effect prior to the Merger and (3) changes in such approach will not be occasioned solely by reason of the Merger. Accordingly, after the Merger, BC Life will maintain its efforts in the areas of providing services to governmental entities such as CalPERS, school districts and joint powers authorities on the same basis as prior to the Merger, assuming the same market, economic and other conditions that currently exist. Recognizing and acknowledging that the CDI shall review changes in BC Life's business and products on the same basis and applying the same standards as are applied to all other insurers under the California Insurance Code and that this Undertaking 9 shall not be construed or applied in a manner that puts BC Life at a disadvantage with respect to its competitors in the marketplace, BC Life advises the CDI that the conditions it considers relevant under this Undertaking 9 include, but are not limited to, the reimbursement and compensation BC Life receives, the scope and nature of services it must provide, the nature and adequacy of its provider network in any relevant service area, the structure, composition and reimbursement payable to the health care providers supporting BC Life's provision of products and services, and the overall terms and conditions, including the applicable legislative and regulatory framework, applicable to its operations.

Undertaking 10. An important premise of the Merger is that (1) BC Life will continue its historic role in serving the California marketplace, (2) BC Life after the Merger will continue the same marketplace approach in effect prior to the Merger and (3) changes in such approach will not be occasioned solely by reason of the Merger. Accordingly, after the Merger, BC Life will maintain its efforts in offering and renewing individual and small group products on the same basis as prior to the Merger, assuming the same market, economic and other conditions that currently exist. Recognizing and acknowledging that the CDI shall review changes in BC Life's business and products on the same basis and applying the same standards as are applied to all other insurers under the California Insurance Code and that this Undertaking 10 shall not be construed or applied in a manner that puts BC Life at a disadvantage with respect to its competitors in the marketplace, BC Life advises the CDI that the conditions it considers relevant under this Undertaking 10 include, but are not limited to, the reimbursement and compensation BC Life receives, the scope and nature of services it must provide, the nature and adequacy of its provider network in any relevant service area, the structure, composition and reimbursement payable to the health care providers supporting BC Life's provision of products and services, and the overall terms and conditions, including the applicable legislative and regulatory framework, applicable to its operations.

Undertaking 11. Recognizing that BC Life relies upon BCC and certain other affiliates to support and provide the infrastructure and personnel for conducting BC Life's business, Anthem undertakes to ensure that BCC complies with the requirements under the Knox-Keene Act that BCC maintain its (and correspondingly BC Life's) organizational and administrative capacity in California, including without limitation, all persons responsible for and having discretion with respect to medical decision-making, its prior authorization and referral system, Independent Medical Review processes, enrollee grievance system (including any appeal system), and provider dispute resolution process. After the effective date of the Merger, Anthem also undertakes to cause its affiliates to make available to BC Life any infrastructure, personnel or services necessary for the conduct of the business of BC Life that are not provided directly through BC Life's own resources or staff.

Undertaking 12. BC Life will pay for the costs of all reviews the CDI determines in its reasonable discretion it will conduct regarding these Undertakings.

Undertaking 13. BC Life agrees that it shall not remove, require the removal, permit, or cause the removal of BC Life's books and records, as defined in the California Insurance Code, from California before obtaining the written approval of the CDI.

Undertaking 14. After the effective date of the Merger, if BC Life decides to amend, change, terminate or replace its administrative services agreement(s) with WellPoint, Anthem or any of their affiliates, BC Life will file the changes with the CDI and will not implement such changes until after such changes have been approved.

Undertaking 15. After the effective date of the Merger, if BC Life decides to amend, change, terminate or replace its tax sharing agreements, BC Life will file any changes to those tax sharing agreements with the CDI and will not implement such changes until after such changes have been approved.

Undertaking 16. BC Life represents to the CDI that it does not anticipate that, for the Merger Debt Period, BC Life's Administrative Expense Ratio (defined as Commissions & Administrative Expenses divided by Net Premiums Written and Deposit-type Contracts and calculated as described below) will exceed BC Life's average Administrative Expense Ratio, as previously defined, for the years 2000-2003. In the event BC Life reasonably anticipates that its Administrative Expense Ratio, as previously defined, will exceed this threshold during this period, then BC Life shall promptly report in writing to the CDI: (1) the amount of the excess; (2) the reasons for the change (for example, changes in commission structure); (3) whether the change is related to the implementation of the Merger; and (4) demonstrate to the CDI's reasonable satisfaction that BC Life's administrative costs are in compliance with all requirements of the California Insurance Code. For purposes of this Undertaking, the Administrative Expense Ratio shall be calculated as Commissions & Administrative Expenses divided by Net Premiums Written and Deposit-type Contracts, whereby (i) Commissions and Administrative Expenses shall be defined as the sum of the amounts shown on BC Life's statutory financial statement on Page 4- Summary of Operations, Column 1, lines 21, 22, 23 and

24, and (ii) Net Premiums Written and Deposit-type Contracts shall be defined as the sum of the amounts shown in BC Life's statutory financial statement on Page 4 – Summary of Operations, column 1, lines 1 and 2.

Undertaking 17. To demonstrate the commitment of Anthem and WellPoint to serve uninsured and medically underserved Californians, Anthem undertakes to make the following donations: (1) \$35 million will be provided to community clinics to augment the now-exhausted funding that had been provided by the Cedillo-Alarcon Community Clinic Investment Act of 2000, and (2) \$15 million will be provided for a program to be conducted through California community colleges to support the training of new nurses in California. The arrangements for distributing these sums will be developed by Anthem and WellPoint so as to promote the efficient distribution of these donations to the intended recipients.

Anthem reiterates its existing undertaking to the California Department of Managed Healthcare, dated July 23, 2004, to implement the commitment set forth in those undertakings to provide \$15 million for the "Insuring Healthy Futures" initiative aimed at increasing Medi-Cal and Healthy Families enrollment of insured children in California. Anthem also reiterates its commitment set forth as Exhibit A in those undertakings to implement the Investment in a Healthy California Program, developed in cooperation with the California Insurance Commissioner, and to extend such program to BC Life. Anthem further undertakes to commit an additional \$100 million to achieve the investment objectives set forth in Exhibit A. All of the provisions of Exhibit A shall apply to this commitment provided, however, that the Commissioner and the Director of the Department of Managed Health Care shall confer as to whether and how to expand the advisory board established under Exhibit A to assure appropriate representation of the public in the decisions concerning the investment of additional resources provided by this Undertaking.

Undertaking 18. During the Merger Debt Period, BC Life shall file annually with the CDI a report demonstrating compliance with each of the Undertakings set forth herein and describing what it believes to be the benefits to Californians that have ensued from the Merger.

Undertaking 19. The Undertakings set forth herein shall be subject to the following terms and conditions:

Binding Effect. The Undertakings set forth herein shall be binding on Anthem, AHC and BC Life and their respective successors and permitted assigns. If Anthem, AHC or BC Life fail to fulfill their obligations to the CDI as provided under the Undertakings set forth herein, Anthem, AHC and BC Life stipulate and agree that the CDI shall have the authority to enforce the provisions of these Undertakings in a California court of competent jurisdiction.

Governing Law. The Undertakings set forth herein and their validity, enforcement, and interpretation, shall for all purposes be governed by and construed in accordance with the laws of the State of California.

Invalidity. In the event any Undertaking or any portion of any Undertaking set forth herein shall be declared invalid or unenforceable for any reason by a court of competent jurisdiction, such Undertaking or any portion of any Undertaking, to the extent declared invalid or unenforceable, shall not affect the validity or enforceability of any other Undertakings and such other Undertakings shall remain in full force and effect and shall be enforceable to the maximum extent permitted by applicable law.

Duration. The Undertakings set forth herein shall become upon the effective date of the Merger, and except as to those provisions of the Undertakings that contain separate termination provisions, shall remain in full force and effect until terminated by Anthem, AHC and BC Life with the written consent of the CDI.

Third Party Rights. Nothing in the Undertakings set forth herein is intended to provide any person other than Anthem, AHC, BC Life and CDI and their respective successors and permitted assigns with any legal or equitable right or remedy with respect to any provision of any Undertaking set forth herein.

Amendment. The Undertakings set forth herein may be amended only by written agreement signed by Anthem, AHC and BC Life and approved or consented to in writing by the CDI.

Assignment. No Undertaking set forth herein may be assigned by Anthem, AHC or BC Life in whole or part without the prior written consent of the CDI.

Entire Agreement. These Undertakings embody the entire agreement and Undertakings of the parties hereto in respect of the subject matter and supersede all prior agreements and Undertakings, both written and oral, among Anthem, AHC, BC Life and the CDI.

Specific Performance. In the event of any breach of these Undertakings, Anthem, AHC and BC Life acknowledge that the State of California would be irreparably harmed and could not be made whole by monetary damages. It is accordingly agreed that Anthem, AHC and BC Life will waive the defense in any action for specific performance that a remedy at law would be adequate, and the CDI should be entitled to seek an injunction or injunctions to prevent breaches of the provisions of these Undertakings and to seek to enforce specifically the terms and provisions hereof.

Effect. Anthem, AHC and BC Life undertake to carry out the commitments and obligations set forth in these Undertakings in such a manner as will not affect adversely any other regulated affiliate of Anthem, AHC and BC Life or the policyholders or members of any such affiliate.

Date: _____, 2004

Print Name: _____

Print Title: _____

BC Life & Health Insurance Company

Date: _____, 2004

Print Name: _____

Print Title: _____

Anthem, Inc.

Date: _____, 2004

Print Name: _____

Print Title: _____

Anthem Holding Corp.

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